



# United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

**AUG 3 - 2010**



## Department of the Interior Acquisition Policy Release (DIAPR) 2010-21

**Subject: USE AND REPORTING OF PROJECT LABOR AGREEMENTS ON LARGE-SCALE CONSTRUCTION PROJECTS**

**References:** Executive Order (EO) 13502, *Use of Project Labor Agreements for Federal Construction Projects*;  
Office of Management and Budget Memorandum dated July 10, 2010, *Implementation of the President's Executive Order on Project Labor Agreements (PLAs)*; and  
Federal Acquisition Regulation (FAR) Subpart 22.5, *Use of Project Labor Agreements for Federal Construction Projects*

### **1. Purpose:**

This DIAPR establishes agency procedures implementing recent directives on the use and reporting of PLAs for large-scale construction projects, which are defined as those construction projects where the cost to the Federal Government is \$25 million or more.

### **2. Effective Date:**

Upon signature.

### **3. Expiration Date:**

This DIAPR will remain in effect until cancelled or superseded. This guidance may be implemented in the Department of the Interior Acquisition Regulation (DIAR) as appropriate.

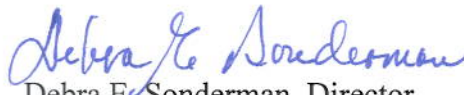
### **4. Background and Explanation:**

EO 13502 and the recent FAR changes implementing the EO encourage Federal agencies to require the use of PLAs in connection with large-scale construction projects, defined as those in which the total cost to the Federal Government is \$25 million or more, in order to promote economy and efficiency in Federal procurement. The total cost refers to the total cost of the project itself, not the contract award amount. For example, a project with total cost of \$25 million may be supported by several contract actions necessary to carry out various project tasks, each with a value of less than \$25 million. For a project of \$25 million or more on which the bureau has decided to use a PLA, the procedures in this DIAPR must be followed for all contract actions supporting it, regardless of dollar value.

## 5. Action Required:

Contracting Officers (COs) must work with their program offices to identify contract actions supporting construction projects on which the total cost is \$25 million or more and the bureau has decided that use of a PLA is appropriate. For all high-cost, interdependent, construction-based contract actions supporting a project on which a PLA will be used, the CO must follow FAR procedures at 22.505 to include the provision and clause requiring submission of a PLA after contract award. The CO must use provision 52.222-33, *Notice of Requirement for Project Labor Agreement*, with its Alternate II; and must use the clause 52.222-34, *Project Labor Agreement*, with its Alternate I. In addition, the CO must include the attached Project Labor Agreement template in the solicitation. The CO must ensure an executed PLA meeting the minimum requirements and containing the mandatory terms is submitted prior to the Notice to Proceed being issued for the contract.

Please disseminate this guidance within your bureau. It will also be available on the web at <http://www.doi.gov/pam/diapr.html>. You may contact Tiffany Schermerhorn of PAM on (202) 513-0747 or [Tiffany\\_Schermerhorn@ios.doi.gov](mailto:Tiffany_Schermerhorn@ios.doi.gov) if you have any questions regarding this policy issuance.



Debra E. Sonderman, Director  
Office of Acquisition and Property Management

Attachment



## PROJECT LABOR AGREEMENT (PLA) MINIMUM REQUIREMENTS AND MANDATORY TERMS

1. Within \_\_\_\_\_ days following award, or such other time as agreed to by the Contracting Officer, the Contractor shall furnish the Contracting Officer with an executed PLA meeting the minimum requirements, and containing the mandatory terms, of this section. The Contractor shall not be entitled to issuance of Notice to Proceed until it has furnished such evidence of an executed PLA.

*Note: The number of days for submission of the executed PLA cannot be more than the number of days to NTP.*

2. *Additional Minimum Requirement.* The PLA must establish wage rates applicable for the duration of the PLA, regardless of whether the corresponding collective bargaining agreements expire.

3. *Mandatory PLA Terms.* The PLA shall include the following terms, or substantially identical language as approved by the Contracting Officer:

(a) "During the term of this PLA, there shall be no strikes, pickets, work stoppages, slow downs or other disruptive activity for any reason by Labor Organizations or their members, and there shall be no lock out by the Contractor or its subcontractors. The Labor Organizations agree that they shall not incite or encourage participation in any such disruptive activity and shall undertake all reasonable means to prevent or terminate it."

(b) "This PLA supersedes any other collective bargaining agreement that may conflict or differ from the terms of this PLA. In the event of a conflict between the terms of this PLA and any collective bargaining agreement, this PLA shall govern. If any collective bargaining agreement contains provisions that are not covered by this PLA, such collective bargaining agreement provisions shall bind the parties to the collective bargaining agreement with respect to employees covered thereby."

(c) "Deductions for Labor Organization due, if any, for employees who are not members of Labor Organizations shall not be more than an amount necessary to cover the Labor Organization's costs of collective bargaining, contract administration, and grievance adjustment. Contributions to employee benefit funds of a Labor Organization from employees who are not members of that Labor Organization may be required only if, and to the extent that, the benefits immediately accrue to the direct benefit of such employees and do not require membership in the Labor Organization."

(d) "Nothing in this PLA shall be deemed to limit a Contractor's or its subcontractors' right to reject proposed employees, provided that such right is exercised in good faith, or to use their own employees."

(e) "There shall be no discrimination against any employee or applicant for employment because of his or her membership or non-membership in a Labor Organization."

4. *Optional Terms.* The PLA may include additional terms addressing other matters of mutual benefit to the Contractor, its subcontractors, and the signatory Labor Organizations consistent with the efficient and timely performance of the work.